

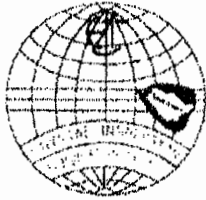
SRINIVAS DECLARATION

EXHIBIT 12

20-JUN-2007 11:56

CRYSTAL INSPECTION SERV. 00966 2 8491838

P.01



البترول للفحص والمعاينة

CRYSTAL INSPECTION SERVICES (S.A.) LTD.

(International Marine Surveyors, Loss Adjusters, Consultants & Recovery - Agents)
 C.R. 1010010707 / 004
 C.C. 65206
 Capital S.R. 500,000 (fully Paid)

Branches :
 Riyadh :
 P.O. Box 6048 Riyadh : 1442
 Tel. : 4733994 (Direct)
 4788849 Ext. 41 (5 Lines)
 Fax : 4741162 (Direct)
 4722070
 E-mail : crystal2@zajil.net
 Dammam :
 P.O. Box 3971
 Dammam 31481
 Tel. 8267562 / 8267328
 Fax: 8275381

URGENT

FACSIMILE MESSAGE

Our Ref.: CIS/M371/JD07/TMK

No. of Page(s) : 2

Dated 20th June 2007

To: Kanoo Shipping Agencies, Dammam
Attention: Mr. Verghese
 Fax: 03-8355712

Re.: MV "WORDA NAREE" ARRIVED AT JEDDAH PORT 16.06.2007
B/L NO. CSH0043-JDH01: 9,869 BUNDLES STC 19,726.036 MT
 HOT ROLLED DEFORMED REINFORCED STEEL BARS AND
 1185 COILS STC 2318.253 MT STEEL.
 CONSIGNEE: SAUDI GROUP FOR CONSTRUCTION
 MATERIALS COMPANY, RIYADH.

Please note that on behalf of the cargo interests we are monitoring the discharge operation from the vessel and inspecting the condition of the subject cargo at Jeddah Islamic Port berth No. 29 and subsequently at port yard No. 31.

During our attendance on board the vessel and at Jeddah Port Yard No. 31, we noted the following damages/deficiencies to the subject shipment:

- A number of steel bars are dented, bent, twisted and nicked at edges in many bundles whilst some bundles had their securing bands partly broken.
- The steel bars in all the bundles are rusted to varying extents and on average 50% surface of the bars is covered with rust.
- The wire rod coils are covered with rust-patches at places and in a number of coils the wire rod is bent, twisted and entangled to varying extents.

The port stevedores has discharged from the vessel approximately 2500 bundles and 200 coils which are now placed in the port yard No.31 and are available for our immediate joint inspection.

Contd. Page 2.

من ب.ب ١١٨٣٧ جدة ٢١٦١٣ - تليفون : ٢١٦١٧١١ / ٢١٧٠٣٩٨ / ٢١٧٠١٠٨ فاكس : ٢١٧٠١٠٩ / ٢١٩١٨٣٨ - المملكة العربية السعودية

P.O. Box 11837, Jeddah 21463, Saudi Arabia - Tel.: 6474711 / 6470398 / 6270408 - Fax: 6491838 / 6270409

بريد الكتروني : Email: crystal1@zajil.net

RECEIVED TIME 20 JUN 11:56

PRINT TIME 20 JUN 11:57

20-JUN-2007 11:57 CRYSTAL INSPECTION SERV. 00966 2 6491838 P.

البترول والفحص والمعاينة
CRYSTAL INSPECTION SERVICES (SAUDI ARABIA)

Page 2.

Our Ref.: CIS/M371/JD07/TMK


Dated 20th June 2007

Please note that the Consignee intends to take direct delivery of the remaining cargo during the discharging process from the vessel.

We hereby, on behalf of cargo interests, hold you being the vessel's local agents fully responsible for the said damages to the cargo and invite you for a preliminary joint survey at Jeddah port followed by a final survey at the Consignee's premises.

Please advise us the name and contact number of your appointed surveyor so that we can liaise with him and arrange a joint survey as soon as possible.

Regards,


Capt. Tariq Mahmood Kazim
Master Mariner, Marine Surveyor.

20-JUN-2007 12:05

SAUDI GROUP CO.

00966 1 2931952

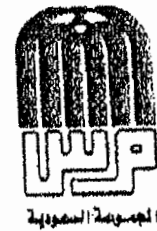
P. 01

شركة المجموعات السعودية للمواد الإنشائية

شركة ذات مسؤولية محدودة - رأس المال المدفوع بالكامل ٨.٠٠٠.٠٠٠ ريال سعودي

SAUDI GROUP FOR CONSTRUCTION MATERIALS CO.

A Limited Liability Co. - Paid Up Capital SR. 8,000,000



Date: 20/6/2007

To : M/s. Y.B.A. Kanoo, Dammam
Attn : Mr. Verghese, Claims Manager
Fax : 03 8355712

cc : M/s. Y.B.A. Kanoo, Jeddah
Attn : Mr. Ibrahim Mahir Claims Dept.
Fax : 02 263 2910

Sub. : MV "WORDA NAREE" ARRIVED AT JEDDAH PORT ON 16.06.2007
B/L NO. CSH0043-JDH01 9,869 BUNDLES STC 19,726.036 MT HOT ROLLED
DEFORMED REINFORCED STEEL BARS 1185 COILS STC 2318.253 MT
STEEL

IPO# 070/07

TOP URGENT

We kindly ask you urgently to conduct joint survey with Cystal Inspection Services as material came rusted and in bad condition.

We hold you responsible for the materials and any dmarrage might result as our contract stated (Clear on board) and the material was in good condition when it was loaded.

Please instruct your surveyor to go and joint survey with crystal inspection at once.

Best Regards
Issam M. Suleiman

ص.ب. ٥٨٢٩٠ الرياض ١١٥٩٤ - ص.ت ١٧٨٥٤ / ١٠١٠٠ - رقم العضوية ٢٥٠٠٥ C.C.M 1010047854 - CR. 1010047854 P.O.Box 58290 Riyadh 11594 - CR. 1010047854 C.C.M 25005
العليا ، شارع ٨٠ مجمع الخليج الدور السابع - هاتف: ٤٦٥٠١٦٥ / ٤٦٥٠١٦٩ ، فاكس: ٤٦٥٠١٦٩ / ٤٦٥٠١٦٩ - المملكة العربية السعودية
Al-Khaleej Complex , 80St , Olaya 7th fl., Tel: 4650165 / 4650169, Fax: 4651643 / 4627901 , Saudi Arabia

RECEIVED TIME 20 JUN. 12:06

PRINT TIME 20 JUN. 12:08

From: Larry.Heron@Mushtaraka.com
Sent: 16 July 2007 08:21
To: London6 UKClub
Cc: chris.sydenham@tysers.com; rmt@preciousshipping.com
Subject: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

To: Thomas Miller P&I Ltd - Johanah Lewis

Y/Ref: JZL/2007/003415
O/ref: LCH/0701

CC: Precious Shipping Public Company Limited
Attn: Vincent Albuquerque

CC: Tysers
Attn: Chris Sydenham
Ref: 32290

Subject: WORADA NAREE at Jeddah on 16 June, 2007
Damage to Steel Cargo

Thanks for your message on the above, confirm we have sent the following message to agents for on passing to cargo interests:

//

To: Claims / Kanoosa

cc: Naseem Marine Services

With regard to the cargo discharged from the above vessel at Jeddah, on completion of damage inspections, and in comparison with inspections conducted during loading, it is evident that the damages observed are all pre-shipment, as such owners will have no liability in this respect.

In view of the above, cargo interests should look to shippers of the cargo with respect to any claims.

Please forward the above information to cargo interests.

//

Thanks + best regards
Capt. Larry C. Heron
Mutual Marine Services Al Mushtaraka Ltd.
Tel: 966 2 652 2666
Fax: 966 2 652 1944
Mob: 966 504 667 728
e-mail: larry.heron@mushtaraka.com

This email has been scanned for all viruses by the Mimecast Email Security System.
For more information please visit <http://www.mimecast.com>

FROM PRECIOUS SHIPPING BKK
TO LOMAR MARITIME BKK

WORADA NAREE - A/C TIGER INT'L

REFER TO THE E-MAIL BELOW, PLEASE NOTE THAT AS PER OUR SURVEYORS FINDINGS IT WAS EVIDENT THAT THE DAMAGES OBSERVED WERE ALL PRE-SHIPMENT AND THEREFORE OWNERS DENY ANY LIABILITY IN THIS RESPECT.

KINDLY TAKE THIS UP WITH THE SHIPPERS OF THE CARGO AND ASK THEM TO DEAL WITH THE MATTER IN THE FIRST INSTANCE.

BEST REGARDS

-----Original Message-----

From: Risk Management Team

Sent: Tuesday, July 03, 2007 4:48 PM

To: 'Lomar Maritime Co., Ltd.'

Subject: Worada Naree at Jeddah 16-28 June 2007

FROM PRECIOUS SHIPPING BKK
TO LOMAR MARITIME BKK

WORADA NAREE - A/C TIGER INT'L

THIS REFERS TO THE STEEL PRODUCTS DISCHARGED AT JEDDAH IN JUNE 2007. THE CARGO INTEREST ALLEGED THAT SOME CARGO HAS BEEN FOUND IN DAMAGED CONDITION UPON DELIVERY AND HAVE REQUESTED FOR A FINAL JOINT SURVEY AT THE CONSIGNEES PREMISES. OWNERS P&I SURVEYOR IS ALREADY IN ATTENDANCE, WE INVITE CHARTERERS TO APPOINT A SURVEYOR ON THEIR BEHALF TO ATTEND THE JOINT SURVEY.

OWNERS RIGHTS ARE RESERVED.

BEST REGARDS

15-SEP-2007 12:54 PRINT TIME

15-SEP-2007 12:54 RECEIVED TIME

Tel #: 966 1 4650165 - (12 Lines)

Fax #: 966 1 4651643 - 4627901

P.O. Box: 58290

Riyadh 11594

Saudi Arabia



E-mail: saudigroup@saudigroup.net
 E-mail: saudigroup@saudigroup.net
<http://www.saudigroup.net>

SAUDI GROUP FOR CONSTRUCTION MATERIALS CO.

Date 12.09.07
 Ref 005/AHD/07

Page no. 1 of 2

TO : M/S KANOO SHIPPING AGENCIES - JEDDAH
 ATTN : CLAIMS DEPARTMENT

SUB : MV "WORADA NAREE" ARRIVED AT JEDDAH PORT - 18.08.07
 B/L NO CSH0043 - JDH01 - 9869 BUNDLES
 STC 19,726.036 MT HOT ROLLED
 DEFORMED REINFORCED STEEL BARS AND
 1185 COILS - STC 2318.253 MT STEEL

CONSIGNEE : SAUDI GROUP FOR CONST. MAT. COMPANY -
 RIYADH - SAUDI ARABIA

Dear Sirs,

Reference to the above shipment, please find enclosed a survey report
 pertaining to the above vessel.

Since you are the agents of "WORADA NAREE" and since the issued Bills of
 Lading are clean on board and since the Debars and Coils arrived to Jeddah
 with massive rust averaging atleast 50% of all the material in mixed form, we
 hold Kanoo Shipping Agencies, agents of "WORADA NAREE", fully
 responsible for this damage.

Please find below our estimated losses for the consignment.

Value of merchandise	USD	11,741,429
Cost of clearance including taxes 10%	USD	1,174,142.90
TOTAL VALUE	USD	12,915,571.90
Loss as a result of Rust 50%	USD	6,457,785.00
TOTAL CLAIM	USD	6,457,785.00

(SIX MILLION FOUR HUNDRED AND FIFTY SEVEN THOUSAND
 SEVEN HUNDRED AND EIGHTY FIVE - AMERICAN DOLLARS)

15-SEP-2007 12:51 PRINT TIME

15-SEP-2007 12:51 E-MAIL 03A1103A

Tel.#:966 1 4650165 (12 Lines)

Fax.#:966 1 4651643 - 4627901

P.O.Box: 58290

Riyadh 11594

Saudi Arabia



E-mail: saudigroup@saudigroup.net
E-mail: saudigroup@saudigroup.net
Http://www.saudigroup.net

Page no. 2 of 2

Please let us know how you intend to settle this claim.

Kindly forward a copy of this claim to Mutual Marine Services – Jeddah who are the Vessel's P & I representative

Please feel free to contact me for any further clarifications.

Contact details :

DR. ALI HASSAN DAYEKH
PRESIDENT

TEL. NO +9661 4650165
FAX NO +9661 4651643
MOBILE +966 505483798

Awaiting your soonest response.

Thank you and best regards

DR. ALI HASSAN DAYEKH
PRESIDENT

SAUDI GROUP FOR CONSTRUCTION MATERIALS CO.

P. 02

FAX NO. 966 1 4627901

SAUDI GROUP CO.

15-SEP-2007 SAT 12:51

PSL - Post Fixture

From: Lomar Maritime Co., Ltd. [lomar@loxinfo.co.th]
Sent: Monday, September 17, 2007 1:46 PM
To: PSL - Post Fixture
Subject: Fw: M/V WORADA NAREE / TIGER INT'L - DAMAGE TO STEEL CARGO - B/L
NO.CSH0043-JDH-001
Importance: High
Attachments: scan0001.pdf; scan0002.pdf

From: Lomar Maritime Co., Ltd. - Bangkok
Tel: (662) 758 8050 Fax: (662) 758 8055 Email : lomar@loxinfo.co.th

-/KUNG

FOLL REVD FRM CHRTRS:-

RE: M/V WORADA NAREE / TIGER INT'L - DAMAGE TO STEEL CARGO - B/L
NO.CSH0043-JDH-001

GOOD DAY,

REGARDING CARGO CLAIM AT JEDDAH, WE RCVD FLWG MSG FM S-CHTRS.

FYG, WE ALREADY SENT COPY OF PRE LOADING SVY REPORT TO S-CHTRS
AS PER THEIR REQUEST.

PLS REFER BELOW MSG & ATTACHED FILE AND LET US HAVE OWNS SOONEST
REPLY ACCORDINGLY.

APPC YR SOONEST REPLY.

B.RGDS

///QTE

NANJING OCEAN SHIPPING CO., LTD
REF ZOE0916/0850

TO CNA KOREA
FM NASCO

ATTN MICHAEL

RE MV WORADA NAREE/NANYUAN

FOLL MSG RCVD FM DISPORT AGENT WHICH IS SELF-EXPLANATORY.

22/10/2007

BEFORE, WE HV INVITED OWRS' P&I INTERFERENCE OF THIS MATTER AND CARRY OUT AN JOINT SURVEY WZ RECEIVRS. BUT TILL NOW CHRTS DID NOT GET THE SURVEY REPORT.

B RGDS

From: Kanoo Shipping Claims
To: Larry.Heron@mushtaraka.com
Cc: ibrahimahir@jed.kanoosa.com ; imran@naseemmarine.com ; surveyors@naseemmarine.com ; operation@nasco.com.cn ; chinadesk@kanoo.se
Sent: Saturday, September 15, 2007 6:42 PM
Subject: RE: "WORADA NAREE" - JZL/2007/003415 - Damage to Steel Cargo - B/L NO. CSH0043-JDH-001

URGENT

Attn: Mr. Larry Heron - Al Mushtaraka - Jeddah

We have today received a claim from the consignee, M/s Saudi Group for Construction Materials Co., supported with a survey report from M/s Crystal Inspection, to the value of USD.6,457,785 (U.S. Dollars Six Million four hundred and fifty seven thousand seven hundred and eighty five) towards the damages sustained to their cargo, as per copy of their letter attached.

As per the bill of lading cargo was shipped "clean on board".

Pls let us have your advice/guidance in the matter.

Regds
Claims Dept. - Kanoo SA

From: Larry.Heron@Mushtaraka.com [mailto:Larry.Heron@Mushtaraka.com]
Sent: Monday, July 16, 2007 10:18 AM
To: claims@kanoosa.com
Cc: ibrahimahir@jed.kanoosa.com; imran@naseemmarine.com; surveyors@naseemmarine.com
Subject: "WORADA NAREE" - JZL/2007/003415 - Damage to Steel Cargo

To: Claims / Kanoosa

cc: Naseem Marine Services

With regard to the cargo discharged from the above vessel at Jeddah, on completion of damage inspections, and in comparison with inspections conducted during loading, it is evident that the damages observed are all pre-shipment, as such owners will have no liability in this respect.

In view of the above, cargo interests should look to shippers of the cargo with respect to any claims.

22/10/2007

Please forward the above information to cargo interests.

Thanks + best regards
Capt. Larry C. Heron
Mutual Marine Services Al Mushtaraka Ltd.
Tel: 966 2 652 2666
Fax: 966 2 652 1944
Mob: 966 504 667 728
e-mail: larry.heron@mushtaraka.com

UNQTE///

PLS CNFM YR SAFE RECEIPT OF THIS MSG AND LET US HAVE OWNS SOONEST
REPLY BY RETURN.

B.RGDS

22/10/2007

From: London6.ukclub@thomasmiller.com
Sent: 18 September 2007 12:17:06
To: kingsgp@singnet.com.sg
Cc: lomar@loxinfo.co.th, sunwooship@sunwooship.co.kr
Subject: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo - B/L NO.CSH0043-JDH01

To: Tiger Interational Line Pte Ltd
Attn: Mr S Y Jung

CC: Sunwoo Merchant Marine Co Ltd
Attn: S J Ahn

CC: Lomar Maritime Co Ltd

From: Thomas Miller P&I Ltd - Johanah Lewis
Our Ref: JZL/2007/003415

Subject: WORADA NAREE at Jeddah on 16 June, 2007
Damage to Steel Cargo - B/L NO.CSH0043-JDH01

TOP URGENT

Dear Messrs Jung and Ahn,

We have the P&I entry for Precious Pearls Ltd, Owners of the above mentioned vessel.

We understand from the Owners that you may already be aware of the substantial claim in the amount of USD6,457,785 that has been made by the Saudi Group for Construction Materials Co in respect of a cargo of steel shipped under B/L NO.CSH0043-JDH01. In the event however, that you have not seen/received any documentation in respect of the claim, further copies are attached herewith.

We trust that you also received a copy of the Owners' message of 20th July 2007, in which they put you on notice of the pre-shipment nature of the damage noted to the cargo upon discharge at Jeddah and suggested that you take the matter up with the Shippers, particularly in circumstances where claused Bills of Lading were originally issued in accordance with Mate's Receipts. Copies of the relevant documentation in this respect is attached for your reference.

It would appear from Saudi Group for Construction Materials Co's message dated 12th September 2007, that clean Bills of Lading were issued by Charterers/Sub Charterers in respect of the cargo notwithstanding the damage noted prior to shipment. In the circumstances, Owners must hold Charterers and/or Sunwoo Merchant Marine (as Charterers' guarantors under the Charterparty dated 11th April 2007) fully responsible in respect of the cargo claim and reserve all of their rights in this respect.

In the circumstances and in order to avoid unnecessary costs being incurred in relation to this matter Charterers and/or Sunwoo are requested to confirm, by return, that they will agree take over the handling of the claim in the first instance. In the event that Charterers and/or Sunwoo are unwilling to deal with the claim, Owners will require countersecurity and will take any such steps as may be appropriate to obtain this in the event that it is not provided on a voluntary basis.

Finally, in order that Owners can identify the various parties in the Charterparty chain, Charterers are requested to advise who they chartered the vessel to.

Yours sincerely,

Johanah Lewis
Thomas Miller P&I Ltd
as Agents for Thomas Miller (Bermuda) Ltd

International House

From: London6.ukclub@thomasmiller.com
Sent: 19 September 2007 17:47:45
To: kingsgp@singnet.com.sg
Cc: sunwooship@sunwooship.co.kr, lomar@loxinfo.co.th
Subject: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

To: Tiger Interational Line Pte Ltd
Attn: Mr S Y Jung

CC: Sunwoo Merchant Marine Co Ltd
Attn: S J Ahn

CC: Lomar Maritime Co Ltd

From: Thomas Miller P&I Ltd - Johanah Lewis
Our Ref: JZL/2007/003415

Subject: WORADA NAREE at Jeddah on 16 June, 2007
Damage to Steel Cargo

TOP URGENT

Dear Messrs Jung and Ahn,

We refer to our message of yesterday's date and are disappointed not to have received the courtesy of a response from you.

You will recall that a copy of the claused Bill of Lading numbered CSH0043-JDH01 identifying Nanyuan Shipping Co as Carriers thereunder was attached to our message of yesterday's date. The cargo claimants have today, provided us with a copy of the attached Bill of Lading (also numbered CSH0043-JDH01) under which the claim is made. As you will note the Bill of Lading differs in so far as it is marked clean on board and Owners are named as Carriers thereunder. In the circumstances, the Owners maintain their view that Charterers are in breach of the terms of the Charterparty dated 11th April 2007.

In the event that Charterers and/or Sunwoo fail to respond to the above and our message of yesterday's date by return, Owners will proceed to take any such steps as may be appropriate to obtain countersecurity for this substantial claim together with interest and costs in the form of a Bank Guarantee from a first class western bank.

Yours sincerely,

Johanah Lewis
Thomas Miller P&I Ltd
as Agents for Thomas Miller (Bermuda) Ltd

International House
26 Creechurch Lane
London
EC3A 5BA

The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited Incorporated in Bermuda.
Thomas Miller P&I Ltd. Registered in England No. 1901414. Registered office as above. A Member of the Thomas Miller Group of Companies.

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PSL - Post Fixture

From: Lomar Maritime Co.,Ltd. [lomar@loxinfo.co.th]
Sent: Thursday, September 20, 2007 1:25 PM
To: PSL - Post Fixture
Subject: RE: M/V WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

From: Lomar Maritime Co., Ltd. - Bangkok
Tel: (662) 758 8050 Fax: (662) 758 8055 Email :
lomar@loxinfo.co.th

-/KUNG

FOLL REVD FRM CHRTS:-

RE: M/V WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

GOOD DAY,

WITH REFERENCE TO OWNS PREVIOUS MSG, WE'VE BEEN ANALYZING EXACT CIRCUMSTANCE WITH S-CHTRS(NASCO) AND WL LET U KNOW IF ANY NEWS

THUS,WE KINDLY REQUEST OWNS TO BE SOME MORE PATIENCE

MTIME, WE RCVD FLWG FM S-CHTRS ASF,

///QTE

OWRS MSG BELOW NOTED.

THE PRE-LOADING SURVEY CHRTS ALSO WELL RCVD. BUT TILL NOW STILL MISSING THE JOINT SURVEY REPORT WHICH CARRIED OUT AFT DISCHG AT DISPORT. ONLY WE PUT THESE TWO REPORT TOGETHER, WZ P&I SURVEYOR'S PROFESSIONAL GUIDANCE THEN WE COULD FIND THE DAMAGE TO THESE STL CGO OCCURRED AT WHICH PHASE. THEN WE COULD GET THE WHOLE PICTURE AND NOTE WHO SHOULD RESPONSIBLE FOR IT.

CHRTS WOULD LIKE TO REMIND OWRS FIRST PROVIDE JOINT SURVEY REPORT THEN MAKE THE CONCLUSION.

AWAITING OWRS.

UNQTE///

PLS CNFM OWNS SAFE RECEIPT OF THIS MSG AND LET US HAVE OWNS REPLY WITH COPY OF JOINT SVY REPORT IF OWNS HAVE

22/10/2007

B.RGDS

: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

To: Tiger Interational Line Pte Ltd
Attn: Mr S Y Jung

CC: Sunwoo Merchant Marine Co Ltd
Attn: S J Ahn

CC: Lomar Maritime Co Ltd

From: Thomas Miller P&I Ltd - Johanah Lewis
Our Ref: JZL/2007/003415

Subject: WORADA NAREE at Jeddah on 16 June, 2007
Damage to Steel Cargo

TOP URGENT

Dear Messrs Jung and Ahn,

We refer to our message of yesterday's date and are disappointed not to have received the courtesy of a response from you.

You will recall that a copy of the claused Bill of Lading numbered CSH0043-JDH01 identifying Nanyuan Shipping Co as Carriers thereunder was attached to our message of yesterday's date. The cargo claimants have today, provided us with a copy of the attached Bill of Lading (also numbered CSH0043-JDH01) under which the claim is made. As you will note the Bill of Lading differs in so far as it is marked clean on board and Owners are named as Carriers thereunder. In the circumstances, the Owners maintain their view that Charterers are in breach of the terms of the Charterparty dated 11th April 2007.

In the event that Charterers and/or Sunwoo fail to respond to the above and our message of yesterday's date by return, Owners will proceed to take any such steps as may be appropriate to obtain countersecurity for this substantial claim together with interest and costs in the form of a Bank Guarantee from a first class western bank.

Yours sincerely,

22/10/2007

PSL - Post Fixture

From: PSL - Post Fixture
Sent: Thursday, September 20, 2007 2:01 PM
To: Lomar Maritime Co.,Ltd.
Subject: RE: M/V WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

Ref: RMT-626 / 20 Sept 2007

To: Lomar Maritime Bangkok (Attn: Andrew)
From: Precious Shipping Bangkok

Re: WORADA NAREE

Ref Charterers' below forwarding sub-charterers' request for discharge survey report, pls note that the claim has been made under a fraudulent b/l, different from one which was authorised by the Master to be issued and which did not contain any of the clauses incorporated in the M/Rs, and we demand Charterers/Sub-Charterers to explain how and under whose orders were such a fraudulent B/L was issued. We seek Charterers' advise on this on an urgent basis.

In any event, Charterers remain liable for any/all costs/consequences and we hereby once again demand suitable security for US\$8,500,000 to cover owners' exposure to the claim including interest and costs. If Charterers do not provide voluntarily, Owners will take whatever action necessary to obtain such security without further reference to the Charterers. We await charterers' confirmation on providing security within today.

Owners' rights reserved.

Regards

From: Lomar Maritime Co.,Ltd. [mailto:lomar@loxinfo.co.th]
Sent: Thursday, September 20, 2007 1:25 PM
To: PSL - Post Fixture
Subject: RE: M/V WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

From: Lomar Maritime Co., Ltd. - Bangkok
Tel: (662) 758 8050 Fax: (662) 758 8055 Email :
lomar@loxinfo.co.th

--/KUNG

FOLL REVD FRM CHRIS:-

RE: M/V WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

22/10/2007

GOOD DAY,

WITH REFERENCE TO OWNS PREVIOUS MSG, WE'VE BEEN ANALYZING EXACT CIRCUMSTANCE WITH S-CHTRS(NASCO) AND WL LET U KNOW IF ANY NEWS

THUS,WE KINDLY REQUEST OWNS TO BE SOME MORE PATIENCE

MTIME, WE RCVD FLWG FM S-CHTRS ASF,

///QTE

OWRS MSG BELOW NOTED.

THE PRE-LOADING SURVEY CHRTS ALSO WELL RCVD. BUT TILL NOW STILL MISSING THE JOINT SURVEY REPORT WHICH CARRIED OUT AFT DISCHG AT DISPORT. ONLY WE PUT THESE TWO REPORT TOGETHER, WZ P&I SURVEYOR'S PROFESSIONAL GUIDANCE THEN WE COULD FIND THE DAMAGE TO THESE STL CGO OCCURRED AT WHICH PHASE. THEN WE COULD GET THE WHOLE PICTURE AND NOTE WHO SHOULD RESPONSIBLE FOR IT.

CHRTS WOULD LIKE TO REMIND OWRS FIRST PROVIDE JOINT SURVEY REPORT THEN MAKE THE CONCLUSION.

AWAITING OWRS.

UNQTE///

PLS CNFM OWNS SAFE RECEIPT OF THIS MSG AND LET US HAVE OWNS REPLY WITH COPY OF JOINT SVY REPORT IF OWNS HAVE

B.RGDS

: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

To: Tiger Interational Line Pte Ltd
Attn: Mr S Y Jung

CC: Sunwoo Merchant Marine Co Ltd
Attn: S J Ahn

CC: Lomar Maritime Co Ltd

From: Thomas Miller P&I Ltd - Johanah Lewis
Our Ref: JZL/2007/003415

Subject: WORADA NAREE at Jeddah on 16 June, 2007
Damage to Steel Cargo

22/10/2007

TOP URGENT

Dear Messrs Jung and Ahn,

We refer to our message of yesterday's date and are disappointed not to have received the courtesy of a response from you.

You will recall that a copy of the claused Bill of Lading numbered CSH0043-JDH01 identifying Nanyuan Shipping Co as Carriers thereunder was attached to our message of yesterday's date. The cargo claimants have today, provided us with a copy of the attached Bill of Lading (also numbered CSH0043-JDH01) under which the claim is made. As you will note the Bill of Lading differs in so far as it is marked clean on board and Owners are named as Carriers thereunder. In the circumstances, the Owners maintain their view that Charterers are in breach of the terms of the Charterparty dated 11th April 2007.

In the event that Charterers and/or Sunwoo fail to respond to the above and our message of yesterday's date by return, Owners will proceed to take any such steps as may be appropriate to obtain countersecurity for this substantial claim together with interest and costs in the form of a Bank Guarantee from a first class western bank.

Yours sincerely,

Johanah Lewis
Thomas Miller P&I Ltd
as Agents for Thomas Miller (Bermuda) Ltd

International House
26 Creechurch Lane
London
EC3A 5BA

PSL - Post Fixture

From: Lomar Maritime Co.,Ltd. [lomar@loxinfo.co.th]
Sent: Thursday, September 20, 2007 5:10 PM
To: PSL - Post Fixture
Subject: MV WORADA NAREE/SUNWOO-TIGER
Importance: High

From: Lomar Maritime Co., Ltd. - Bangkok
Tel: (662) 758 8050 Fax: (662) 758 8055 Email :
lomar@loxinfo.co.th

--/KUNG

FOLL REVD FRM CHRTS:-

MV WORADA NAREE/SUNWOO-TIGER

WE REFER TO OWS' LAST. DULY RECEIVED AND ACKNOWLEDGED, WHICH OUR
LEGAL DEPT
ARE FOLLOWING WHILE CORRESPONDING CLUB AND LAWYER. WILL REVERT AS
SOON AS
POSSIBLE.

SAME TIME, AS OWS MAY KNOW, RELEVANT SHIPMENT INCLUDING B/L WAS DONE
BY SUB CHTRS(NASCO)
AND WE ARE PUSHING HARD THEM TO SOLVE THIS PROBLEM BY
THEMSELVES. WHEN WE GET SUB CHTRS REPLY WE WILL PROVIDE SAME TO OWS
IMMDLTY.

B.RGS

Re: WORADA NAREE

Ref Charterers' below forwarding sub-charterers' request for discharge survey report, pls
note that the claim has been made under a fraudulent b/l, different from one which was
authorised by the Master to be issued and which did not contain any of the clauses
incorporated in the M/Rs, and we demand Charterers/Sub-Charterers to explain how and
under whose orders were such a fraudulent B/L was issued. We seek Charterers' advise
on this on an urgent basis.

In any event, Charterers remain liable for any/all costs/consequences and we hereby once
again demand suitable security for US\$8,500,000 to cover owners' exposure to the claim
including interest and costs, If Charterers do not provide voluntarily, Owners will take
whatever action necessary to obtain such security without further reference to the
Charterers. We await charterers' confirmation on providing security within today.

22/10/2007

PSL - Post Fixture

From: Lomar Maritime Co.,Ltd. [lomar@loxinfo.co.th]
Sent: Thursday, September 20, 2007 5:10 PM
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~/KUNG

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incorporated in the M/Rs, and we demand Charterers/Sub-Charterers to explain how and
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on this on an urgent basis.

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including interest and costs, If Charterers do not provide voluntarily, Owners will take
whatever action necessary to obtain such security without further reference to the
Charterers. We await charterers' confirmation on providing security within today.

22/10/2007

Page 2 of 2

Owners' rights reserved.

Regards

22/10/2007

From: London6.ukclub@thomasmiller.com
Sent: 20 September 2007 12:16:28
To: kingsgp@singnet.com.sg
Cc: sunwooship@sunwooship.co.kr
Subject: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

To: Tiger Interational Line Pte Ltd
Attn: Mr S Y Jung

CC: Sunwoo Merchant Marine Co Ltd
Attn: S J Ahn

From: Thomas Miller P&I Ltd - Johanah Lewis
Our Ref: JZL/2007/003415

Subject: WORADA NAREE at Jeddah on 16 June, 2007
Damage to Steel Cargo

TOP URGENT

Dear Messrs Jung and Ahn,

We refer to the recent correspondence.

We have today received a copy of the LOI issued by Tiger International Line Pte Ltd to Owners on 8th June 2007, requesting that the cargo be delivered into the custody of the agents at Jeddah without production of the Bills of Lading.

Pursuant to the terms of the LOI (to which copies of the claused Bills of Lading were attached), Tiger International Line Pte Ltd agreed to indemnify and hold Owners harmless in respect of any liability, loss or damage of whatsoever nature sustained as a result of complying with their request. In addition, the LOI expressly provides that in the event of any proceedings being commenced against Owners, Tiger International Line Pte Ltd is to provide sufficient funds for the purpose of defending the same.

In the circumstances, we reiterate our previous request that Tiger International Line Pte Ltd and/or Sunwoo Merchant Marine Co Ltd (as guarantors under the Charterparty dated 11th April 2007) take over the handling of the claim in the first instance and/or provide Owners with security in the amount of USD8,500,000 to cover the claim, interest and costs in the form of a Bank Guarantee from a first class western bank as a matter of urgency.

Yours sincerely,

Johanah Lewis
Thomas Miller P&I Ltd
as Agents for Thomas Miller (Bermuda) Ltd

International House
26 Creechurch Lane
London
EC3A 5BA

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From: London6.ukclub@thomasmiller.com
Sent: 20 September 2007 12:39:11
To: kingsgp@singnet.com.sg
Cc: sunwooship@sunwooship.co.kr
Subject: Fw: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

To: Tiger Interational Line Pte Ltd
Attn: Mr S Y Jung
CC: Sunwoo Merchant Marine Co Ltd
Attn: S J Ahn

From: Thomas Miller P&I Ltd - Johanah Lewis
Our Ref: JZL/2007/003415
Subject: WORADA NAREE at Jeddah on 16 June, 2007
Damage to Steel Cargo

TOP URGENT

Dear Messrs Jung and Ahn,

We refer to the message sent a few moments ago.

For the avoidance of any doubt, we await your confirmation that you will either take over the handling of the claim in the first instance and/or provide Owners with security in the amount of USD8,500,000 to cover the claim, interest and costs in the form of a Bank Guarantee from a first class western bank **as a matter of urgency and by latest close of business Singapore/Korean time tomorrow**, failing which Owners will take any such steps as may be appropriate to protect their position without further notice to you.

Yours sincerely,

Johanah Lewis
Thomas Miller P&I Ltd
as Agents for Thomas Miller (Bermuda) Ltd

International House
26 Creechurch Lane
London
EC3A 5BA

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----- Original Message -----

From: London6.ukclub@thomasmiller.com
Sent: 20 September 2007 12:16:28
To: kingsgp@singnet.com.sg
Cc: sunwooship@sunwooship.co.kr
Subject: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

To: Tiger Interational Line Pte Ltd
Attn: Mr S Y Jung

CC: Sunwoo Merchant Marine Co Ltd
Attn: S J Ahn

From: Thomas Miller P&I Ltd - Johanah Lewis
Our Ref: JZL/2007/003415

Subject: WORADA NAREE at Jeddah on 16 June, 2007
Damage to Steel Cargo

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In the circumstances, we reiterate our previous request that Tiger International Line Pte Ltd and/or Sunwoo Merchant Marine Co Ltd (as guarantors under the Charterparty dated 11th April 2007) take over the handling of the claim in the first instance and/or provide Owners with security in the amount of USD8,500,000 to cover the claim, interest and costs in the form of a Bank Guarantee from a first class western bank as a matter of urgency.

Yours sincerely,

Johanah Lewis
Thomas Miller P&I Ltd
as Agents for Thomas Miller (Bermuda) Ltd

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From: London6.ukclub@thomasmiller.com
Sent: 20 September 2007 13:42:19
To: lomar@loxinfo.co.th
Subject: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

To: Lomar Maritime Co Ltd

From: Thomas Miller P&I Ltd - Johanah Lewis
Our Ref: JZL/2007/003415

Subject: WORADA NAREE at Jeddah on 16 June, 2007
Damage to Steel Cargo

TOP URGENT

Please find attached for your information a copy of the message sent to Tiger International Line Pte Ltd and Sunwoo Merchant Marine Co Ltd earlier today.

Regards,

Johanah Lewis
Thomas Miller P&I Ltd
as Agents for Thomas Miller (Bermuda) Ltd

International House
26 Creechurch Lane
London
EC3A 5BA

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PSL - Post Fixture

From: Lomar Maritime Co.,Ltd. [lomar@loxinfo.co.th]
Sent: Friday, September 21, 2007 4:35 PM
To: PSL - Post Fixture
Subject: RE: M/V WORADA NAREE / TIGER - SUNWOO

From: Lomar Maritime Co., Ltd. - Bangkok
Tel: (662) 758 8050 Fax: (662) 758 8055 Email :
lomar@loxinfo.co.th

-/KUNG

FOLL REVD FRM CHRTS:-

RE: M/V WORADA NAREE / TIGER - SUNWOO

GOOD DAY,

WITH REFERENCE TO YR BELOW MSG, WE'VE BEEN PUSHING S-CHTRS TO TAKE A APPROPRIATE STEP TO AVOID PORTENTIAL UNPLEASANT SITUATION.

IN FACT, I JUST CONTACTED WITH CO-BROKER AND HE INFORMED THAT PIC IN S-CHTRS(NASCO) IS FULLY AWARE THIS CASE WILL BE HANDLED BY BETWEEN S-CHTRS(NASCO) AND RELEVANT PARTIES(CGO RCVR,ETC..)

IN ADDITION, OUR LEGAL DEPARTMENT HAS COMMENCED OF THIS CASE AND WL LET U KNOW ANY OUTCOME FM S-CHTRS SIDE OR OUR SIDE.

IN THE MEANTIME, IT IS LONG HOLIDAY UPTO 26TH SEP (KOREAN TKS GIVING DAY)
THUS, WE SINCERLY/KINDLY REQUEST H-OWNS TO BE MORE PATIENCE.

MANY TKS IN ADVANCE.

B.RGDS

22/10/2007

PSL - Post Fixture

From: Lomar Maritime Co., Ltd. [lomar@loxinfo.co.th]
Sent: Friday, September 28, 2007 1:58 PM
To: PSL - Post Fixture
Subject: RE: M/V WORADA NAREE / TIGER INT'L - ALLEGED CLAIM

From: Lomar Maritime Co., Ltd. - Bangkok
Tel: (662) 758 8050 Fax: (662) 758 8055 Email :
lomar@loxinfo.co.th

-/KUNG

RE: M/V WORADA NAREE / TIGER INT'L - ALLEGED CLAIM

Good day,

We rcvd flwg msg fm s-chtrs,

QTE

regarding captioned vessel,

1. With respect to the captioned matter, we hereby confirm to you that, provided it finally determined that the charterers should be liable for any loss, the charterers will take all liabilities as provided under the relevant laws and regulations. Please be advised that the charterers are now actively negotiating with the shippers in order to settle the matter in an amicable and prompt manner.
2. It appears that a joint survey has been conducted by the owners and consignees. Under the circumstances, we are keen to know whether there is any comment which specifies that the damage to the cargo was occurred before its loading. If negative, we strongly insist the aforesaid comment be added to the final survey report. Nevertheless, for the sake of persuading the shippers to accept and admit their liabilities and pay the damages, we would be very grateful if you might provide us with any survey report at your hand as soon as possible.
3. In addition to the above, we opine that the current losses alleged by the consignees are surprisingly higher than anyone can reasonably expected. In this regard, please discuss with the consignees and request them to provide all supporting documents which could prove the actual losses sustained by them.

We look forward to hearing from you

UNQTE

22/10/2007

As a matter of fact, we've been pushing s-chtrs to solve this alleged case by s-chtrs and other relevant parties including shippers & consignee. In order words, we intend s-chtrs to solve/take a whole responsibility regarding this case.

In this regards, we sincerely request owns to be more paitience and send us joint survey report in order for s-chtrs to handle/solve by themselves.

In addition, we'll keep on doing our best to close this troublesome case asap.

We look forward to heaing yr soonest/affirmative reply.

b.rgds

22/10/2007

PSL - Post Fixture

From: Risk Management Team
Sent: Saturday, September 29, 2007 11:09 AM
To: 'Lomar Maritime Co., Ltd - Bangkok'
Subject: Worada Naree / Tiger International

O/ref: RMT 642/ 29 Sept. 2007

To: Lomar Maritime, Bangkok
Attn: Andrew

Fm: Precious Shipping, Bangkok

Re: Worada Naree / Tiger International

We refer to Charterers' message of 28th September 2007.

As we have already advised in our previous correspondence, Owners do not accept that they have any liability in respect of this matter in circumstances where fraudulent Bills of Lading have been issued without their knowledge.

Owners note that Charterers are putting pressure on Sub Charterers to take responsibility for the claim. However, in circumstances where Owners had no control over who Charterers sub-chartered the vessel to and indeed, have no contractual relationship with Sub Charterers, issues between Charterers and Sub Charterers are of no concern to Owners. In any event, Sub Charterers' confirmation that they will accept liability for the claim if it is "finally determined" that they are liable is of little comfort to Owners who are being pursued by cargo interests for a substantial claim under a fraudulent Bill of Lading. In the circumstances and for the reasons previously advised, Owners must continue to hold Charterers fully responsible for this matter.

As we understand that Charterers have now instructed London lawyers in respect of this matter Owners would suggest that any requests for documentation be directed through that channel.

All of Owners' rights are reserved.

Regards

22/10/2007

From: London6.ukclub@thomasmiller.com
Sent: 03 October 2007 09:56:49
To: sunwooship@sunwooship.co.kr
Cc: kingsgp@singnet.com.sg, robert.wallis@hildickinson.com
Subject: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

To: Sunwoo Merchant Marine Co Ltd
Attn: S J Ahn

CC: Tiger International Line Pte Ltd
Attn: Mr S Y Jung

CC: Hill Dickinson LLP
Attn: Rob Wallis

From: Thomas Miller P&I Ltd - Johanah Lewis
Our Ref: JZL/2007/003415

Subject: WORADA NAREE at Jeddah on 16 June, 2007
Damage to Steel Cargo

Dear Sirs,

As you will note from the attached the Owners are being pressed by the consignees to respond to their claim. We attach a copy of our self explanatory response just sent in this respect.

We await your confirmation that in circumstances where Charterers/Sunwoo and/or their Sub Charterers are in breach of Charterparty by issuing fraudulent Bills of Lading that you will agree to take over the handling of the claim forthwith.

Kind regards,

Johanah Lewis
Thomas Miller P&I Ltd
as Agents for Thomas Miller (Bermuda) Ltd

International House
26 Creechurch Lane
London
EC3A 5BA

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From: London6.ukclub@thomasmiller.com
Sent: 03 October 2007 09:26:26
To: saudigroup@saudigroup.net
Subject: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

To: Saudi Group for Construction
Attn: Dr Ali Hassan Dayekh
Ref: 005/AHD/07

From: Thomas Miller P&I Ltd - Johanah Lewis
Our Ref: JZL/2007/003415

Subject: WORADA NAREE at Jeddah on 16 June, 2007
Damage to Steel Cargo

Dear Sir,

We write on behalf of the Owners of the "WORADA NAREE" whose P&I risks are entered with the Association.

We have been provided with a copy of your letter addressed to M/S Kanoo Shipping Agencies dated 12th September 2007 and your message of 2nd October 2007 addressed to Captain Larry Heron at Mutual Marine Services Al Mushtaraka Ltd.

We understand that Captain Larry Heron has already provided you with a copy of the Bill of Lading numbered CSH0043-JDH01 dated 21st May 2007 which was claused in accordance with Mate's Receipts to accurately reflect the condition of the cargo prior to shipment (copies of which have also been disclosed to you together with the pre-loading survey carried out on behalf of Owners). You will note that the named carrier under the claused Bill of Lading is Nanyuan Shipping Co Ltd.

In circumstances where the cargo was clearly damaged prior to shipment on board the vessel and notwithstanding the fact that claused Bills of Lading (as referred to above) were originally issued in respect of the cargo but fraudulent clean Bills of Lading subsequently appear to have been issued without Owners' knowledge, Owners do not accept that they have any liability towards your company in respect of the alleged damage. We would suggest therefore that you direct your claim towards Charterers and/or Shippers. Furthermore, even if Owners were to be found liable in respect of this matter (which is expressly denied for the reasons stated above), we do not accept that you have either demonstrated that Saudi Group for Construction Materials Co are the lawful owners of the cargo (i.e. have title to sue) and/or have provided sufficient documentation in support of the alleged claim which, on any view, appears to be vastly inflated.

Regards,

Johanah Lewis
Thomas Miller P&I Ltd
as Agents for Thomas Miller (Bermuda) Ltd

International House
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London
EC3A 5BA

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From: president [president@saudigroup.net]
Sent: 03 October 2007 12:03
To: London6 UKClub
Subject: RE: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

Ms johanah lewis

Reference the above subject we can prove that we are the lawful owners of the cargo.

We have taken note of your message and we will initially approach the shippers, however we still reserve the right to take legal action against the owners at a later stage if necessary.

In regards to your comment that our claim is vastly inflated. We can prove the extent of damage and losses as a result of the cargo condition.

Saudi Arabia views rust as a disease and deformed bars are not demanded in rusty form and not approved to be used in the construction industry which was the main purpose of importing this material.

Please feel free to contact us for any further clarifications you may require.

Ali dayekh

From: saudigroup@saudigroup.net [mailto:saudigroup@saudigroup.net]
Sent: Wednesday, October 03, 2007 1:52 PM
To: president
Subject: Fw: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo
Importance: High

----- Original Message -----

From: London6.ukclub@thomasmiller.com <mailto:London6.ukclub@thomasmiller.com>
To: saudigroup@saudigroup.net <mailto:saudigroup@saudigroup.net>
Sent: Wednesday, October 03, 2007 11:26 AM
Subject: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

To: Saudi Group for Construction
Attn: Dr Ali Hassan Dayekh
Ref: 005/AHD/07

From: president [president@saudigroup.net]
Sent: 11 October 2007 14:21
To: London6 UKClub
Subject: worada naree jzl/2007003415- damage and rust of steel gardo

THOMAS MILLER P@I CLUB LTD

Ms JOHANAH LEWIS

Reference is made to your letter dated 03/oct/2007 ref jzl/2007/003415 regarding the above subject.

Please note that after receiving your reply we went back to our suppliers claiming full explanation and reasons behind the callused bill of lading.

CCC, the German supplier revised your comments along with the survey report presented through SJ marine.

They also mentioned that they pursued SJ marine to find out exactly what had happened.

The below mentioned comments were presented as follow:

"The survey report of SJ Marine which was submitted to us with your last e-mail. States clearly on page \$, Chapter 3.2.1. that " it was found that some reinforcing steel bars with rust stained ..." and according to our understanding such clause must be permitted under the rust clause has been changed for the Mate's Receipt most probably upon recommendation of a third party to read " All cargos with rust stained partly and slightly " which differs from the clauses, originally stated in the official Survey Report. We therefore must assume that the rust-condition of the debars at the time of loading was actually in accordance with what has been agreed upon between our companies. Nevertheless, we have decided to contribute these 10 percent as stated above in order to find an amicable solution for this unpleasant matter.

Furthermore, we have learnt from the SJ Marine Report, that additional H and U sections have been loaded in Shanghai on top of your material and acc. To the SJ Marine Report, this material was rusty and perhaps even wet. The overstow with such material may also be a reason for oxidation of steel in vessel's hatches during her voyage. We would also like to mention, that it is unavoidable, that steel such as debars will be set out for further oxidation due to condensation-water inside the holds during the sea-voyage. It is needless to say that such holds are not equipped with air-conditioning under normal circumstances however, the worsening factor for oxidation during the voyage time does not justify, that the debars will arrive in Jeddah Port with a percentage of rust in the range of 25- 30%.

This percentage has been ascertained during various inspections in Jeddah Port and in some of your warehouses, also in the presence of representatives of Saudi Group and CCC Steel and has been testified by Crystal Inspection Services in their reports. These 25-30 percent are by far more than what has been examined before loading of the debars in China, which can only be the responsibility of the carrier, for what reason so ever.

Due to the above facts, we can only urge you to hold the carrier responsible for all the damages"

As can be seen fro the above reply of the supplier, CCC they are arguing about the extent of damage and the real cause of damage and the amount damage.

They mentioned that the material reached Jeddah with 30% damage but in reality the extent of damage is 50% as per our previous mails and actual findings.

We now again request you to look into this matter and give me your suggestion.

Saudi group is a well reputed organization and we like to find reasonable and amicable solutions to avoid further legal costs and lawsuits.

Before forwarding the case to our lawyers in London please let me know if there is an suggestion that can be made from your side as it is evident that the carrier caused the main damage to our shipment fro reasons explained above.

Ali dayekh

This email has been scanned for all viruses by the Mimecast Email Security System.

For more information please visit <http://www.mimecast.com>

From: London6.ukclub@thomasmiller.com
Sent: 12 October 2007 11:43:38
To: david.hoyes@hilldickinson.com
Cc: laura.alston@hilldickinson.com
Subject: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

To: Hill Dickinson LLP
Attn: David Hoyes

CC: Hill Dickinson LLP
Attn: Laura Alston

From: Thomas Miller P&I Ltd - Johannah Lewis
Our Ref: JZL/2007/003415

Subject: WORADA NAREE at Jeddah on 16 June, 2007
Damage to Steel Cargo

Dear David,

Please see the latest email from the consignee. We ask again for confirmation that your clients will take over the defence of this claim as soon as possible and by latest close of business London time on 17th October 2007.

If you do not provide such confirmation within the aforementioned deadline, we will have to take steps to investigate and defend the claim. In that event, we propose replying to the consignee in these terms on Thursday, 18th October, unless you have any better suggestions.

QUOTE

Thank you for your email.

We note that the German supplier, CCC, accepts that there was pre-shipment rust damage, but says that this was less than the rust damage found on arrival in Jeddah. We wish to consult Owners' surveyors about this, but we would first be grateful to receive a complete (and fully legible) copy of Crystal Inspection Services' report of 26th August. The copy you provided with your letter to Kanoo Shipping Agencies of 12th September was poorly copied on pages 13 to 15 and contained none of the enclosures referred to on page 18.

Crystal Inspection Services themselves concluded that the rust damage "had already been existing prior to shipment from the port of origin." They also pointed out that all parties concerned were in agreement that a fair assessment of the extent of the rust damage was 28.75%.

You and CCC are also overlooking two important points.

The first is that any claim you have under the lawful (claused) Bill of Lading lies against the named carrier, Nanyuan Shipping Co Limited, and not against our members.

The second is that a fraudulent Bill has been generated by someone, which is a very serious matter. The fraudulent Bill is stamped with a reference to a Letter of Credit. Is this the Bill that passed through the L/C system? Please let us know the results of the enquiries you have made of CCC, Pingxiang Iron and Steel Co Ltd and your bank in this regard.

We await your urgent response.

Please also obtain for us a copy of the AOBTCO survey report.

UNQUOTE

We have, in the meantime, sent the attached holding response to the consignees.

Kind regards,

Johanah Lewis
Thomas Miller P&I Ltd
as Agents for Thomas Miller (Bermuda) Ltd

International House
26 Creechurch Lane
London
EC3A 5BA

The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited Incorporated in Bermuda.
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Thomas Miller Group of Companies.

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From: David Hoyes [David.Hoyes@hilldickinson.com]
Sent: 17 October 2007 17:43
To: London6 UKClub
Subject: WORADA NAREE - JZL/2007/003415 - DAMAGE TO STEEL CARGO
To: Thomas Miller P&I Ltd - Johanah Lewis
Y/Ref: JZL/2007/003415

Dear Johanah

Thanks for your e-mails of 10 and 12 October 2007.

In response to the deadline you have imposed, our clients are not prepared to take over the defence of the cargo claim made against your member in Saudi Arabia. Your member must properly and reasonably defend the claim which has been made against them. Inter alia:-

1. Even if your member did pay or settle this cargo claim (to which they clearly have a number of good defences) Tiger (and consequently Sunwoo) would not have any liability to indemnify your member. We have seen no evidence as to who was responsible for (or involved in) the issue of the second set of "clean" bills. You have told us that you do not have any such evidence. However, if cargo interests were responsible, we fail to see how Tiger would be liable to indemnify your member for third party cargo interests' actions. Similarly, if a party in the chartering chain was responsible, that party had no authority to issue a second set of clean bills and we do not see how Tiger would be liable to your member for such unauthorised action. In summary, there has been no breach of the Charterparty by Tiger.

2. In any event and even if Precious had an arguable right to an indemnity from Tiger (which we cannot presently see), Precious is in a much better position to defend this claim. Surveys of the cargo were carried out on Precious' behalf in China and Saudi Arabia and the Club's correspondents in Saudi Arabia are already involved. Further, it is evident from the correspondence we have seen, that there is a substantive issue that damage was sustained by the cargo whilst on board the WORADA NAREE. This issue can only be properly dealt with by your member as the ship owner.

There are a number of obviously good defences which can be raised against this claim, which we strongly suspect is a "try on". If cargo interests were seriously maintaining this large claim, we would have expected them to have taken procedural steps by now to pursue it. However, nothing has been done. We note cargo interests' suggestion that the case will be forwarded to "lawyers in London". Unless your investigation and enquiries show that Saudi Arabia would be a more favourable jurisdiction to hear this claim, no doubt you will take steps to secure English law/jurisdiction.

Therefore, you/your member must proceed as you think fit and Tiger/Sunwoo will put your members to strict proof of the reasonableness of any steps taken in defence, in the event that your member (1) pays or settles this unmeritorious and inflated claim and then (2) claims an indemnity from Tiger/Sunwoo.

Finally, our clients have asked us to draw the attached article to your attention. This appeared in Tradewinds on 5 October 2007 reporting the fraud allegations which your members have made against Tiger (and by implication against Sunwoo) in New York. You have already acknowledged that your members have no evidence to support the fraud allegations against Tiger made in the Verified Complaint and we now understand that your member's New York attorneys are proposing to withdraw these allegations. It is possible that this unfortunate article may impact on our clients' commercial reputation and their rights against your members are fully reserved.

Kind regards

David Hoyes
Partner
Hill Dickinson LLP

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A list of the members of the LLP is displayed at the registered office. Pearl Assurance House, 2 Derby Square, Liverpool L2

From: London6.ukclub@thomasmiller.com
Sent: 18 October 2007 15:15:30
To: president@saudigroup.net
Subject: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

To: Saudi Group for Construction
Attn: Dr Ali Hassan Dayekh
Ref: 005/AHD/07

From: Thomas Miller P&I Ltd - Johanah Lewis
Our Ref: JZL/2007/003415

Subject: WORADA NAREE at Jeddah on 16 June, 2007
Damage to Steel Cargo

Dear Dr Dayekh,

We refer to our message of 12th October 2007.

We note that the German supplier, CCC, accepts that there was pre-shipment rust damage, but says that this was less than the rust damage found on arrival in Jeddah. We wish to consult Owners' surveyors about this, but we would first be grateful to receive a complete (and fully legible) copy of Crystal Inspection Services' report of 26th August. The copy you provided with your letter to Kanoo Shipping Agencies of 12th September was poorly copied on pages 13 to 15 and contained none of the enclosures referred to on page 18.

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Regards,

Johanah Lewis
Thomas Miller P&I Ltd
as Agents for Thomas Miller (Bermuda) Ltd

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Thomas Miller P&I Ltd. Registered in England No. 1901414. Registered office as above. A Member of the

From: president [president@saudigroup.net]
Sent: 20 October 2007 12:15
To: London6 UKClub
Subject: RE: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo

Ms jonathan lewis

Reference your email dated 18/10/2007 please note that CCC has cashed our letter of credit against the clean bill of lading.

They claim neither them nor the Chinese manufacturer knew anything about the "claused" bill of lading.

I have requested a copy of the AOBTCO survey report. The responsible person told us that he needs to seek approval from his principals prior to the release of the report.

I have also requested CCC to provide us with a clear report through CRYSTAL INSPECTION.

Meanwhile I would appreciate your comments on the clean b/l and how this could happen.

Ali dayekh

From: London6.ukclub@thomasmiller.com [mailto:London6.ukclub@thomasmiller.com]
Sent: Thursday, October 18, 2007 5:16 PM
To: president@saudigroup.net
Subject: WORADA NAREE - JZL/2007/003415 - Damage to Steel Cargo
Importance: High

To: Saudi Group for Construction
Attn: Dr Ali Hassan Dayekh
Ref: 005/AHD/07

From: Thomas Miller P&I Ltd - Johanah Lewis
Our Ref: JZL/2007/003415

Subject: WORADA NAREE at Jeddah on 16 June, 2007
Damage to Steel Cargo

Dear Dr Dayekh,

We refer to our message of 12th October 2007.